

VZCZCXRO5428
PP RUEHDH RUEHDIR
DE RUEHDE #0241 1611429
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P R 101429Z JUN 09
FM AMCONSUL DUBAI
TO RUEHC/SECSTATE WASHDC PRIORITY 6527
INFO RUEHAD/AMEMBASSY ABU DHABI 3564
RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE
RUEHEG/AMEMBASSY CAIRO 0296
RUEHDM/AMEMBASSY DAMASCUS 0052
RUEHNE/AMEMBASSY NEW DELHI 0162
RUEHLB/AMEMBASSY BEIRUT 0048
RUEHDE/AMCONSUL DUBAI 9810

UNCLAS DUBAI 000241

SENSITIVE
SIPDIS

DEPARTMENT FOR NEA/FO; NEA/ARP/BMASILKO

E.O. 12958: N/A

TAGS: [EAIR](#) [ECON](#) [PREL](#) [AE](#)

SUBJECT: DUBAI'S LOW-COST AIRLINE LAUNCHES INAUGURAL ROUTES

¶1. (U) During its first two weeks of operation, flydubai--Dubai's new low-cost airline--launched inaugural routes to Beirut and Amman on June 1 and additional routes to Damascus and Alexandria on June 8 and 9, respectively. The new airline will focus on destinations four hours or less from Dubai and aims to support Dubai's commercial and tourism sectors by providing business travelers and regional tourists an affordable option to popular, high-demand destinations.

¶2. (U) The new airline is operating out of Dubai International Airport's (DXB) Terminal 2. flydubai was established as an independent company, but will initially be supported by Dubai's well-known long-haul carrier Emirates. (Its offices are in Emirates cavernous new headquarters building.) Emirates' Chairman HH Sheikh Ahmed bin Saeed Al Maktoum will also be the Chairman of flydubai; former Emirates Senior Vice President Ghaith Al Ghaith is CEO. flydubai has ordered 54 next generation 737-800 Boeing aircraft. The new airline is set on rapidly expanding its routes throughout the Middle East and India; eventually, expanding to Iran, Eastern Europe, and North and East Africa. flydubai has two 737-800s in operation, with two more coming on line next month, allowing initial flights to India and select GCC destinations. Ghaith Al Ghaith told the Consul General flydubai plans to house six aircraft operating by end-2009. He said business had been "excellent" to date.

¶3. (SBU) Comment: Press reports indicate other regional low-cost carriers, particularly Sharjah-based Air Arabia, are concerned about Dubai Government-backed flydubai being able to undercut their prices. End Comment.

SUTPHIN